

PAID UP
OIL AND GAS LEASE

THIS AGREEMENT, made this 17th day of October, 2008, by and between **George A. Stickler and Gwendolyn L. Stickler, his wife**, of **Rt 1, Box 59, New Martinsville, West Virginia 26155**, Lessors and parties of the first part, hereinafter called "LESSOR" (whether one or more) and **B & R Construction, Inc.** whose address is **PO Box 311, Spencer, West Virginia 25276**, hereinafter called "LESSEE":

WITNESSETH:

1. **Lease Description:** That the Lessor, in consideration of the sum of One Hundred Dollars (\$100.00) per acre, per year, for a term of three (3) years, the receipt of which is hereby acknowledged, and other good and valuable consideration, and the covenants and agreements hereinafter contained, Lessor does hereby let, demise and grant unto the Lessee, all of the oil, gas, and coalbed methane, in and under the land hereinafter described, together with the exclusive right to explore and drill for, produce and market oil, gas, coalbed methane, and any other gas and oil thru the Oriskany. Also the exclusive right to enter thereon at all times for the purpose of exploring for, drilling and operating for oil, gas, coalbed methane, laying pipelines, erecting tanks, machinery, powers and structures, and to possess, use and occupy so much of said premises as is necessary and convenient for said purposes and to convey the above described products by pipelines or otherwise, and the right to use water from demised premises in the production of the same; and also the right to erect, or remove, at any time, all property placed upon the demised premises by the Lessee in connection with the exercise of the rights granted hereby, which tract of land being situate in the District of Franklin, County of Marshall, and State of West Virginia, containing 60.10 acres, more or less, and being the same tract known and designated on the Land Books for Marshall County, West Virginia, for the year 2007, as Tax Map number 9999, Parcel number 0000 4940 0500.
2. **Term of Lease:** It is agreed that this lease shall remain in force for a primary term of three (3) years from the date hereof and as long thereafter as oil or gas is produced in paying quantities therefrom.
3. **Royalty Payments:**
 - (i) Oil: To pay the Lessor, his heirs or assigns, as royalty for all oil and constituents thereof, produced and saved from any well or wells drilled on the leased premises, an amount equal to fifteen and one hundred twenty five thousands percent (15.125%) of the price paid to Lessee by the Purchaser of any such oil (and constituents thereof) from the sale of such in tanks, pipelines or other facilities, to which the Lessee may connect its wells. Said royalty shall be paid monthly directly to the Lessor, his heirs or assigns, by the purchaser of the oil, and shall be free of all costs to Lessor.

Return to: B & R Construction Inc
PO Box 311
Spencer WV 25276

(ii) Gas: To pay the Lessor, his heirs or assigns, as royalty for all gas and constituents thereof, including all liquid, solid or gaseous substances produced and saved from any sand or sands and/or formation or formations on the leased premises, an amount equal to fifteen and one hundred twenty five thousands percent (15.125%) of the price received by the Lessee from the sale of such gas and the constituents thereof at the first good faith, arms-length sale from the Lessee to a third party without deduction for fees, taxes or expenses of any kind, whether production or post-production. Payment of royalty for gas produced and marketed during any calendar month is to be made within thirty (30) days from the end of the month of production.

*4. **Delay Rental Payments:** This is a Paid-Up Lease and Lessor hereby acknowledges that all delay rental payments due and payable during the primary term of the lease have been paid-up in full in advance.

5. **Manner of Payment:** All moneys coming due hereunder shall be paid or tendered to Lessor, his heirs or assigns, directly, or by check payable to:

Name: George A. Stickler

Address: Rt 1, Box 59

City/State/Zip: New Martinsville, WV 26155

6. **Free Gas:** It is further agreed that there shall be free gas from Lessee's one gas well on said lands for the use of the surface owner of said lands, in the amount of 200,000 cubic feet of gas per annum for one dwelling, to be taken through his own efficient appliances at any producing gas well, and agree to pay Lessee a fair domestic rate for any gas used in excess thereof. Lessor, his heirs or assigns, further covenants and agrees that surface owner taking and use of gas shall be wholly at the surface owner's own risk, and the surface owner does hereby relieve and release Lessee, its heirs and assigns from all liability in connection therewith.

7. **Proportionate Payment:** If said Lessor, his heirs or assigns, owns an interest in the above described land less than the undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid the Lessor, his heirs or assigns, only in the proportion which his interest bears to the whole and undivided fee.

8. **Surface Usage:** No well may be drilled nearer than 300 feet to any existing house or 200 feet of any building now on said premises without the written consent of the surface owner. All wells, roads, pipelines, fixtures, structures, etc... shall be placed in locations which do not interfere with the normal use of said lands. These locations shall be approved by surface owner, said approval not unreasonably withheld.

Lessee shall also have the right at any time to remove all or part of the machinery, fixtures or structures placed on said premises, including the right to draw and remove casing. Lessee shall pay surface owner for damages caused by its operations to growing crops, timber, hay, or any other surface damage based on fair market value of current year. Lessee shall bury its pipelines below eighteen (18) inches in depth.

9. **Ownership Changes:** This lease shall not be assigned, sold or otherwise transferred to any other party without the express written consent of the Lessor, his heirs or assigns, which shall not be unreasonably withheld.
10. **Pooling and Unitization:** Lessee shall not, without the express written approval of Lessor, his heirs or assigns, have the right to pool or unitize the leased acreage, or any parts thereof, with other tracts. This shall be mutually agreed upon by Lessor and Lessee.
11. **Depth:** Lessee agrees to drill in formations down to and including Oriskany. Depths lower than Oriskany shall remain free for the Lessor to lease to a third party.
12. **Release of Lease:** At any time, Lessee, its successors or assigns, shall have the right to surrender this lease or any part thereof for cancellation, after which all payments and liabilities hereunder thereafter shall cease and terminate, and if the whole is surrendered, then this lease shall become absolutely null and void. This surrender shall be made to Lessor(s), or to the heirs or assigns of him or them by delivery of duly executed surrender thereof in person or by certified mail addressed to the post office address of such person(s), and by recording a duly executed surrender thereof in the Recorder's Office of the County in which the land is located.
13. Lessor agrees that the Lessee at its option may pay, discharge or redeem any taxes, mortgages, or other liens, existing, levied, or assessed on or against the above described lands, and in the event it exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying any royalty or rentals accruing hereunder to the discharge of any such taxes, mortgages or other liens.
14. It is expressly agreed that if the Lessee shall commence drilling operations at any time while this lease is in force, it shall remain in force and its terms continue so long as such operations are prosecuted, and if production results therefrom, then as long as production continues. If after expiration of the term of this lease, production from the leased premises shall cease from any cause, this lease shall not terminate provided Lessee resumes operations within 90 days from such cessation, and this lease shall remain in

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force during the prosecution of such operations, and if production results therefrom, then as long as oil and gas is produced in paying quantities.

15. **Location Damage Fee:** Before drilling has commenced, but after construction of drilling sites and roadways, Lessee shall pay to surface owner, as liquidated damages, the sum of Fifteen Hundred (\$1500.00) Dollars for each acre of surface land disturbed during such process. This payment shall not relieve Lessee of its obligation of restoration of surface under applicable laws and regulations.
16. **Shut-In Provision:** If market conditions make it economically prudent for Lessee and/or its assigns to shut-in a well, Lessee and/or its assigns may, from time to time, shut-in any well or wells drilled hereunder, and this oil and gas lease shall nonetheless continue in full force and effect; provided however, that no such well may be shut-in under this provision for more than six months in any calendar year and, in lieu of royalty for any shut-in period, Lessee shall pay to Lessor, his heirs or assigns, a fee of One Hundred (\$100.00) Dollars for each month each such well shut-in.
- * 17. This lease embodies the entire contract and agreement between Lessor and Lessee, and no warranties, representations, promises or inducements not herein expressed have been made or relied upon by either party. The terms, conditions and stipulations hereof shall extend to the respective heirs, executors, administrators, successors and assigns of the parties hereto.

Lessor(s):

George A. Sticker
Gwendolyn L. Sticker

Lessee:

Ralph C. Rich
 Its: President

* As to paragraphs 4 and 17 hereof, see the Addendum attached hereto and incorporated herein by reference as to the agreed modifications of said paragraphs 4 and 17.

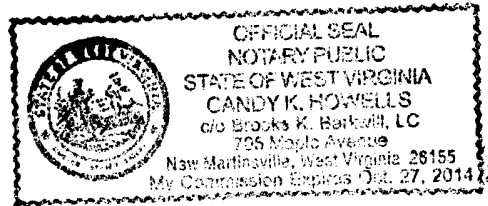
STATE OF WEST VIRGINIA
COUNTY OF Wetzel, to wit:

The foregoing instrument was acknowledged before me this 17th day of October, 2008,
by George A. Stickler and Gwendolyn L. Stickler, his wife, Lessor(s).

Candy K. Howells

Notary Public
(Affix Notarial Seal)

My Commission Expires:
10/27/2014



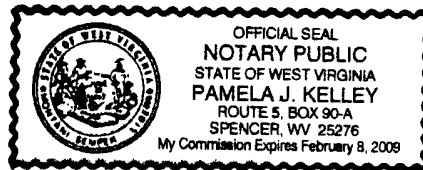
STATE OF West Virginia
COUNTY OF Roane, to wit:

The foregoing instrument was acknowledged before me this 29th day of October, 2008
by Robert C. Richards of B & R Construction, Inc., Lessee.

Pamela J. Kelley

Notary Public
(Affix Notarial Seal)

My Commission Expires:
February 8, 2009



Document prepared by: George A. Stickler
Route 1, Box 59
New Martinsville, West Virginia, 26155

JAN PEST
MARSHALL County 10:23:10 AM
Instrument No 1266555
Date Recorded 03/27/2009
Document Type O&G
Book-Page 678-538
Recording Fee \$7.00
Additional \$6.00

AGREED ADDENDUM TO PAID UP OIL AND GAS LEASE

The parties hereto COVENANT and AGREE that paragraphs 4 and 17 of the subject Lease are modified and/or amended in the following particulars, to-wit:

- As to said paragraph 4 - - It is agreed that the delay rental payments for the primary term of the Lease, as provided for in paragraphs 1 and 7 of the Lease, are not paid-up in full as of Lessors' execution of this Lease, but that Lessee shall have a period of ninety (90) days from the date of this Lease (that is, to and including the 15th day of January, 2009), within which to pay, in full, unto Lessors the delay rentals due hereunder for the primary term of this Lease.
- As to said paragraph 17 - - It is acknowledged and agreed that this Lease includes the covenants and conditions addressed in this annexed and incorporated Agreed Addendum To Paid Up Oil And Gas Lease.

Lessors:

George C. Stickler

Gwendolyn L. Stickler

Lessee:

Rant P. Richards

By: Robert C. Richards

its President

STATE OF WEST VIRGINIA,
COUNTY OF WETZEL, to-wit:

The foregoing instrument was acknowledged before me this 17th day of October, 2008, by George A. Stickler and Gwendolyn L. Stickler, his wife, Lessors.

My Commission expires: 10/27/2014

OFFICIAL
NOTARIAL
SEAL



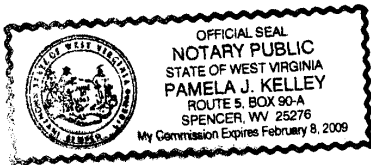
Candy K. Howells
Notary Public

STATE OF West Virginia,
COUNTY OF Roane, to-wit:

The foregoing instrument was acknowledged before me this 29th day of October, 2008, by Robert C. Richards of B & R Construction, Inc., Lessee.

My Commission expires: February 8, 2009

OFFICIAL
NOTARIAL
SEAL



Pamela J. Kelley
Notary Public

STATE OF WEST VIRGINIA, COUNTY OF WETZEL, TO-WIT:
OFFICE OF THE CLERK OF THE COUNTY COMMISSION
OF WETZEL COUNTY

The foregoing paper writing was this day March 18, 2009
at 1:02 presented for record in my office
and thereupon, together with the certificate thereto annexed
is admitted to record.

TESTEE: Carol S. Haught, CLERK
COUNTY COMMISSION OF WETZEL COUNTY

CAROL S. HAUGHT
WETZEL COUNTY 01:02:28 PM
Instrument No 89096
Date Recorded 03/18/2009
Document Type O&G
Book-Page 998-137
Recording Fee \$7.00
Additional \$6.00

STATE OF WEST VIRGINIA, MARSHALL COUNTY, SCT.:

I, JAN PEST, Clerk of the County Commission of said County, do hereby certify that the annexed writing, bearing date on the 17th day of OCTOBER, 2008, was presented for and by me, admitted to record in my office upon the above certificate as to the parties therein named this 27th day of MARCH, 2009 at 11:23 o'clock A.M.

TESTEE: Jan Pest Clerk.